



# NEWS RELEASE

OFFICE OF THE UNITED STATES ATTORNEY  
WESTERN DISTRICT OF MISSOURI

**TODD P. GRAVES**

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**FOR IMMEDIATE RELEASE**

## **FEDERAL JURY CONVICTS FORMER CALIFORNIA CEO OF RECEIVING FRAUDULENT PHARMACEUTICAL KICK-BACKS**

**KANSAS CITY, Mo.** – Todd P. Graves, United States Attorney for the Western District of Missouri, announced that a California man was convicted by a federal jury today for defrauding his employer by accepting secret kickbacks for negotiating a contract to purchase Lipitor and Bextra from a Missouri pharmaceutical firm.

**Christopher Wayne Lamoreaux**, 34, Anaheim, Calif., was found guilty of two counts of mail fraud this afternoon.

“With his secret kickback scheme, **Lamoreaux** violated the trust of his employer and failed in his fiduciary duty to provide honest services,” Graves said. “**Lamoreaux** had a legal and ethical obligation to disclose to his employer the fact that he had a financial interest in a business for which he negotiated a contract.”

Following the presentation of evidence in the **Lamoreaux** trial, the jury in U.S. District Court in Kansas City deliberated about three hours before returning the guilty verdicts to U.S. District Judge Howard F. Sachs, ending a trial that began July 12, 2004. At the close of the government’s case, Judge Sachs dismissed charges filed against Lamoreaux’s wife **Adina Lamoreaux**, 29, also of Anaheim.

**Christopher Lamoreaux** was formerly the president and CEO of NuCare Pharmaceuticals, Inc., a California firm that supplies drugs to urgent care facilities, indigent clinics, and occupational health clinics. NuCare is also a licensed repackager of pharmaceuticals. **Adina Lamoreaux**, his wife, was formerly director of quality control at NuCare.

In late 2002, Graves said, **Christopher Lamoreaux** negotiated a contract with Albers Medical, Inc., on behalf of NuCare. Under this agreement, Graves said, NuCare purchased Lipitor and Bextra on consignment from Albers, repackaged the drugs at its facility, and then

shipped the drugs to Med-Pro, another repackaging company in Lexington, Neb. **Christopher Lamoreaux** was paid a 5 percent commission of \$1,692 on the \$740,000 in profits NuCare earned through these transactions.

On March 11, 2003, **Christopher Lamoreaux** abruptly resigned from NuCare, after which the company learned of his fraud scheme. As part of the scheme, **Lamoreaux** had secretly received more than \$115,000 in illegal additional commissions from Albers, Graves said. The additional commissions were paid to Consulting Ventures LLC, a business entity created by **Lamoreaux** in January 2003. The two counts of the federal indictment, Graves explained, are related to the two commission checks sent from Albers to Consulting Ventures, via United Parcel Service, from Missouri to California.

“**Lamoreaux** never disclosed to NuCare that he used Consulting Ventures to personally profit from this contract,” Graves said. “**Lamoreaux** portrayed himself as a loyal employee who negotiated the best deal possible for NuCare, but he was secretly working for his own profit. This fraud was harmful to NuCare, which lost both the honest services of an employee and a fair price and reasonable profit from its contract with Albers.”

The **Lamoreaux**’s were originally charged in a two-count indictment returned by a federal grand jury on Nov. 21, 2003, in Kansas City.

Under federal law, Graves explained, **Christopher Lamoreaux** faces a sentence of up to 40 years in federal prison without parole, plus a fine up to \$500,000. His sentence will be determined according to the United States Sentencing Guidelines. A sentencing hearing will be scheduled after the completion of presentence investigations by the United States Probation Office.

This case is being prosecuted by Assistant U.S. Attorney Gene Porter. It was investigated by the Food and Drug Administration - Office of Criminal Investigations.

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This news release, as well as additional information about the office of the United States Attorney for the Western District of Missouri, is available on-line at  
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